

# ACCOUNTING 2010

## FINANCIAL ACCOUNTING

### SYLLABUS FALL 2010

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Udvar-Hazy Building Room 335

By Appointment

#### A. TEXT

**Financial Accounting – 5<sup>th</sup> Edition – Kimmel  
Tools for Business Decision Making**

#### B. COURSE DESCRIPTION

Financial Accounting is the first class in a series of two classes which constitute the basic course in accounting fundamentals. Completion of the entire series is required of all majors in Accounting, Business Management, Economics, Finance and Marketing. This is an introductory course to financial accounting principles. Coverage includes the complete accounting cycle for service and merchandise companies. Depreciation, accounts receivable, and inventory are just a few topics covered in this class.

#### C. COURSE OBJECTIVES

##### **Chapter 1 – Introduction to Financial Statements**

1. Describe the primary forms of business organization
2. Identify the users and the uses of accounting information
3. Describe the content and purpose of each of the financial statements
4. Explain the meaning of assets, liabilities, and stockholders' equity, and state the basic accounting equation
5. Explain the basic assumptions and principles underlying financial statements

##### **Chapter 2 – A Further Look at Financial Statements**

1. Identify the sections of a classified balance sheet
2. Explain the relationship between a retained earnings statement and a statement of stockholders' equity
3. Explain the meaning of generally accepted accounting principles and describe the basic objective of financial reporting
4. Discuss financial reporting concepts

##### **Chapter 3 – The Accounting Information System**

1. Analyze the effect of business transactions on the basic accounting equation
2. Explain what an account is and how it helps in the recording process
3. Define debits and credits and explain how they are used to record business transactions

4. Identify the basic steps in the recording process
5. Explain what a journal is and how it helps in the recording process
6. Explain what a ledger is and how it helps in the recording process
7. Explain what posting is and how it helps in the recording process
8. Explain the purpose of a trial balance

#### **Chapter 4 – Accrual Accounting Concepts**

1. Explain the revenue recognition principle and the matching principle
2. Differentiate between the cash basis and the accrual basis of accounting
3. Explain why the adjusting entries are needed, and identify the major types of adjusting entries
4. Prepare adjusting entries for prepayments
5. Prepare adjusting entries for accruals
6. Describe the nature and purpose of the adjusted trial balance
7. Explain the purpose of closing entries
8. Describe the required steps in the accounting cycle

#### **Chapter 5 – Merchandising Operations**

1. Identify the differences between a service enterprise and a merchandizing company
2. Explain the recording of purchases under a perpetual inventory system
3. Explain the recording of sales revenues under a perpetual inventory system
4. Distinguish between a single-step and a multi-step income statement
5. Determine cost of goods sold under a periodic inventory system

#### **Chapter 6 – Reporting and Analyzing Inventory**

1. Describe the steps in determining inventory quantities
2. Explain the basis of accounting for inventories and apply the inventory cost flow methods under a periodic inventory system
3. Explains the financial statement and tax effects of each of the inventory cost flow assumptions
4. Explain the lower of cost or market basis of accounting for inventories
5. Describe the LIFO reserve and explain its importance for comparing results of different companies

#### **Chapter 7 – Internal Control and Cash**

1. Identify the principles of internal control
2. Prepare a bank reconciliation
3. Explain the operation of a petty cash fund

#### **Chapter 8 – Reporting and Analyzing Receivables**

1. Identify the different types of receivables
2. Explain how accounts receivable are recognized in the accounts
3. Describe the methods used to account for bad debts
4. Compute interest on notes receivable
5. Describe the entries to record the disposition of notes receivables

#### **Chapter 9 – Reporting and Analyzing Long-Lived Assets**

1. Describe how the cost principle applies to plant assets
2. Explain the concept of depreciation
3. Compute periodic depreciation using the straight-line method, and contrast its expense pattern with those of other methods

4. Describe the procedure for revising periodic depreciation
5. Explain how to account for the disposal of plant assets
6. Identify the basic issues related to reporting intangible assets
7. Indicate how long-lived assets are reported on the balance sheet

#### **Chapter 10 – Reporting and Analyzing Liabilities**

1. Explain a current liability and identify the major types of current liabilities
2. Describe the accounting for notes payable
3. Explain the accounting for other current liabilities
4. Identify the types of bonds
5. Identify the requirements for the financial statement presentation

#### **Chapter 11 – Reporting and analyzing Stockholder' Equity**

1. Identify and discuss the major characteristics of a corporation
2. Record the issuance of common stock
3. Explain the accounting for the purchase of treasury stock
4. Differentiate preferred stock from common stock
5. Prepare the entries for cash dividends
6. Identify the items that affect retained earnings
7. Prepare a comprehensive stockholders' equity section

#### **Chapter 12 – Statement of Cash Flows**

1. Indicate the usefulness of the statement of cash flows
2. Distinguish among operating, investing and financing activities
3. Prepare a statement of cash flows using the indirect method

#### **Chapter 13 – Performance Measurement**

1. Understand the concept of sustainable income
2. Indicate how irregular items are presented
3. Explain the concept of comprehensive income
4. Describe and apply horizontal analysis
5. Describe and apply vertical analysis
6. Identify and compute ratios used in analyzing a company's liquidity, solvency and profitability

### **D. CLASS HOURS**

Accounting 2010 meets three days a week, Monday, Wednesday and Friday, 8:00 A.M. - 8:50 A.M. These periods will be devoted to introductory lectures of new material, review of homework problems and chapter quizzes.

### **E. EXAMINATIONS & QUIZZES**

Five examinations are given in Financial Accounting 2010. All exams will be taken in the Testing Center on the scheduled days. A chapter quiz will be administered in class at the end of each chapter.

**Except under very unusual circumstances, no early or late quizzes and/or exams will be allowed!**

### **F. HOMEWORK**

**Homework is to be typed using a word processor or spreadsheet application.** Homework will be

randomly called for and points assigned. We will correct homework each day so as to give instant feedback. Preparation and review of homework will be most beneficial as students prepare for quizzes and exams.

## G. GRADING

Grading is not on a curve. Your grade will be based on the percentage of total points earned.

1.	EXAMS	70%
2.	CHAPTER QUIZZES	20%
3.	HOMEWORK*	<u>10%</u>
TOTAL		100%

A	93.0 – 100.0%	C	73.0 – 76.9%
A-	90.0 – 92.9%	C-	70.0 – 72.9%
B+	87.0 – 89.9%	D+	67.0 – 69.9%
B	83.0 – 86.9%	D	63.0 – 66.9%
B-	80.0 – 82.9%	D-	60.0 – 62.9%
C+	77.0 – 79.9%	F	BELOW 60%

\*Homework will not be graded on its accuracy. It will be graded on the effort made. If you could do all the homework correctly, you would not need the course.

### **Disability Statement:**

**Students with medical, psychological, learning or other disabilities desiring reasonable academic adjustment, accommodations, or auxiliary aids to be successful in this class will need to contact the DISABILITY RESOURCE CENTER Coordinator ( Baako Wahabu) for eligibility determination. Proper documentation of impairment is required in order to receive services or accommodations. DRC is located at the ground floor of the Financial Aid Office. Visit or call 652-7516 to schedule appointment to discuss the process. DRC Coordinator determines eligibility for and authorizes the provision of services.**

### **DMAIL Statement**

**Important class and college information will be sent to your Dmail email account. This information includes your DSC bill, financial aid/scholarship notices, notification of dropped classes, reminders of important dates and events, and other information critical to your success in this class and DSC. All DSC students are automatically assigned a Dmail email account. If you don't know your user name and password, go to [www.dixie.edu](http://www.dixie.edu) choose MyDSC & Logins and then Login to Student-Mail. And follow the instructions. You will be held responsible for information sent to your Dmail email. So please check it often.**

ACCOUNTING 2010 – FINANCIAL ACCOUNTING SCHEDULE OF ASSIGNMENTS AND READINGS		
DAY	DATE	CLASS
MON	AUG 23	INTRODUCTION, EX. 1-1, 1-3(a)
WED	AUG 25	CHAPTER 1, EX. 1-6, P1-3A, BYP 1-8
FRI	AUG 27	QUIZ CHAPTER 1
MON	AUG 30	CHAPTER 2, EX. 2-1, 2-2,
WED	SEP 1	CHAPTER 2, EX. 2-8, 2-12, P2-2A
FRI	SEP 3	QUIZ CHAPTER 2
MON	SEP 6	NO SCHOOL
WED	SEP 8	CHAPTER 3, EX. 3-3
FRI	SEP 10	CHAPTER 3, P3-4A, P3-5A
MON	SEP 13	QUIZ CHAPTER 3, EXAM REVIEW
WED	SEP 15	<b>EXAM – CHAPTERS 1,2 &amp; 3</b>
FRI	SEP 17	CHAPTER 4, EX. 4-2, 4-11
MON	SEP 20	CHAPTER 4, P4-3A, P4-7A
WED	SEP 22	QUIZ CHAPTER 4
FRI	SEP 24	CHAPTER 5 P5-3A
MON	SEP 27	CHAPTER 5 P5-6A
WED	SEP 29	QUIZ CHAPTER 5
FRI	OCT 1	CHAPTER 6, EX 6-4, 6-5
MON	OCT 4	CHAPTER 6, P6-1A, P6-2A, P6-3A
WED	OCT 6	QUIZ CHAPTER 6, EXAM REVIEW
FRI	OCT 8	<b>EXAM – CHAPTERS 4,5 &amp; 6</b>
MON	OCT 11	CHAPTER 7, EX. 7-8, 7-15
WED	OCT 13	CHAPTER 7, EX. 7-16, P7-3A
FRI	OCT 15	NO SCHOOL
MON	OCT 18	QUIZ CHAPTER 7
WED	OCT 20	CHAPTER 8, EX. 8-4, 8-7, 8-8
FRI	OCT 22	CHAPTER 8, P8-1A, P8-2A, P8-3A
MON	OCT 25	QUIZ CHAPTER 8
WED	OCT 27	CHAPTER 9, EX. 9-2, 9-7, 9-8
FRI	OCT 29	CHAPTER 9, EX. 9-13, P9-2A, 99-3A
MON	NOV 1	QUIZ CHAPTER 9, EXAM REVIEW
WED	NOV 3	<b>EXAM – CHAPTERS 7,8 &amp; 9</b>
FRI	NOV 5	CHAPTER 10, EX. 10-1, 10-3
MON	NOV 8	CHAPTER 10, EX. 10-5, 10-6, P10-2A
WED	NOV 10	QUIZ CHAPTER 10
FRI	NOV 12	CHAPTER 11, EX. 11-1, 11-2, 11-3,
MON	NOV 15	CHAPTER 11, EX. 11-4, 11-5, P11-1A
WED	NOV 17	CHAPTER 11, P11-2A (a-c), 11-3
FRI	NOV 19	QUIZ CHAPTER 11, EXAM REVIEW
MON	NOV 22	<b>EXAM – CHAPTERS 10 &amp; 11</b>
WED	NOV 24	NO SCHOOL
FRI	NOV 26	NO SCHOOL
MON	NOV 29	CHAPTER 12, EX. 12-3A
WED	DEC 1	CHAPTER 12, P12-7A(a), P12-9A
FRI	DEC 3	QUIZ CHAPTER 12
MON	DEC 6	CHAPTER 13, EX. 13-3, 13-4
Wed	DEC 8	CHAPTER 13, P13-2A
FRI	DEC 10	QUIZ CHAPTER 13, EXAM REVIEW
Dec 13 – Dec 17 Finals Week		<b>EXAM – CHAPTERS 12 &amp; 13</b>

Problems assigned are due the following class period.

**This schedule is subject to change.**